WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Privatisation of profit earning PSUs

3481. SHRI K. RAHMAN KHAN: Will the Minister of DISINVESTMENT be pleased to state:

(a) the names of the profit earning Public Sector Undertakings which have been privatised, so far, giving the details of funds realised from each;

(b) in what manner the funds so realised were utilised; and

(c) the reasons for privatizing the profit earning units?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) The names of the profit earning Public Sector Undertakings which have been privatised alongwith the details of funds realised from each privatisation are shown below:—

(Rs. in crore)

Sl. No.	Name of PSUs	Realisation from disinvestment
1a.	Modern Food (India) Ltd. (MFIL)	105
1b.	Modern Food (India) Ltd. Phase II (MFIL-II)	44^^
2.	Bharat Aluminium Company Ltd. (BALCO)	826.5*
3.	Computer Maintenance Corporation (CMC)	152
4.	Hindustan Teleprinters Ltd. (HTL)	55
5.	IBP Co. Ltd.	1153.68
6.	Videsh Sanchar Nigam Ltd. (VSNL)	3689^
7.	Hindustan Zinc Ltd. (HZL)	445

^^ to be received shortly.
^ including dividend & divi. Tax.
* including withdrawal.

(b) The disinvestment proceeds are deposited in the Consolidated Fund of India like any other receipt of Government of India. The expenditures out of the Consolidated Fund of India include outlays for infrastructure sector, restructuring of public sector enterprises, social sectors like education, health

and family welfare etc. The expenditure incurred for these purposes was much higher than the receipts from disinvestment. It is not possible to indicate how much of such expenditure is met "out of the receipts" from disinvestment in a year.

(c) Decision to disinvest is based on considerations like classification of industry as strategic or non-strategic and not on considerations like profitability. Disinvestment in profitable or non-profitable public enterprise is aimed at optimal utilisation of capital, better corporate governance, reduction in commercial risk of tax-payers' money, release of scarce resources for deployment in social sectors like family welfare, health, education and other sectors of greater public interest. Disinvestment of the Government stake in PSUs is carried out in accordance with the declared policy of the Government to bring down Government equity in all non-strategic PSUs to 26%, or lower, in the generality of cases.

Bids for sale of ITDC hotels

3482. SHRI B. J. PANDA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have invited bids for sale of ITDC hotels;

(b) if so, the details of these hotels;

(c) the minimum net worth criteria for bidders of the two Delhi hotels and others;

(d) the profit / loss incurred by these hotels per annum during the last five years; and

(e) the guidelines laid down for sale of profit earning units?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) to (d) The details of the hotels of India Tourism Development Corporation Limited (ITDC), for which bids were invited in the 1st and 2nd tranche and the details of the 14 hotels recently advertised for disinvestment, the minimum net worth criteria for the bidders and the profit / loss incurred by these hotels are given in the Annexure. [*See* Appendix 195, Annexure No. 33]

(e) The process of disinvestment in ITDC or for any other PSU is carried out in a completely transparent manner in accordance with the prescribed guidelines involving competitive bidding, which ensures that the best price